

LISTENING TO THAT VOICE INSIDE

BY DAVE STICKEL

A few years ago, I was managing a project whose scope included the addition of several new unit operations to existing production lines. Part of my project involved adding a fabricated module similar to one another project had recently purchased on a T&M (Time & Material) basis from Company A. This company had done a good job, so prevailing wisdom dictated all we had to do for this part of the job was to adapt the design to our production lines, and go.

THIEN-KIM PHAM



ALONG WITH OUR PROCUREMENT MANAGER AND THE project manager of the recently completed project, I traveled to the vendor's shop where these modules were fabricated. On the earlier project, after the bugs were worked out of the design, our company purchased more than twenty of these units. The first unit cost about \$180,000, but as the design was tested and reworked, the T&M price came down to about \$120,000 per unit for the remainder of the order.

As soon as I walked into Company A's shop, I started getting a sales pitch. The shop supervisor, who I knew from a previous project, said, "Well, Dave, I'd like to introduce you to Sam, who's going to be your fabrication and assembly manager. Any time you want anything, day or night, just call Sam." He went on to tell me, "Here are the machines that are ready to

chunk out all your parts the minute you tell us to start cutting steel."

I liked what I saw in the shop, even without the sales pitch.

And then, on top of that, our procurement manager and the project manager from our first project took me off to the side to give me their own version of the sales pitch. They told me that sticking with Company A's current design and fabrication would make my life easier and would allow me to focus on other parts of my project. It was very tempting to think about putting this part of the project behind me.

At the end of the day, we regrouped with Company A's personnel in a conference room. The vendor's representatives said that if I would give them the green light, they would deliver the 50+ machines I

needed at about \$118,000/unit. My procurement manager and fellow project manager thought this was what I should do, but I was uneasy. It just didn't make sense to me.

This particular unit operation is similar to a number of other unit operations throughout the manufacturing process, and the design for this one wasn't all that dissimilar from them. I knew we had paid a lot less for those other unit operations.

So I said, "I've just got to think about this." I didn't know exactly what I wanted to think about, but I knew I didn't want to make a decision right on the spot. I had a lot of experience making quick decisions, but something told me to follow my instinct that this decision required more consideration. In the cab to the airport and on the plane on the way home, I kept hearing from my two compatriots that I was making a big mistake by not accepting this offer.

When I got home, I checked my phone messages. Company A's shop superintendent had left me a message. He said, "After you left today, we got together and we sharpened our pencils, and we decided that we can do your project at about \$108,000 a machine." It wasn't hard to figure out the math; we would save \$10,000 on each of the 50 or so machines. And I said, "Wow! All I did was say I wanted to think about it, and I saved a half a million dollars." My delay of six hours was paying dividends.

But I still wasn't satisfied. This unit operation wasn't on the critical path of my project, so there was no reason I had to make the decision immediately. I had time in my schedule, and I decided to go out for competitive bidding. We bid Company A along with a number of other shops I was familiar with. A few weeks later, I received a bid from Company A for \$93,000 per unit. But they still didn't get the job. We awarded the contract at \$67,000 per unit to Company B, where I also knew the people.

At the pre-award meeting at Company B, I said, "You know, I've got to be honest with you. You're the lowest bid. Are you confident that you understand this bid?" Long ago, I learned that it isn't good business to take advantage of an underbid—because if you put someone out of business and they don't deliver, your own program suffers, too.

They told me they were confident. And it turned out well. They had done their homework, and we had done ours in working with them and making sure they understood what they were getting into.

In the end, I saved more than \$2.5 million by following my gut instinct, which said, "I've got time to think about this." I took advantage of the opportunity to step back even when everybody else was telling me, "You ought to do this right now." Because of that project, I've been willing to trust my instincts more. •

LESSONS

- Many leaders who commonly use intuition are reluctant to talk about it, considering it too soft and "mystical" a process to openly acknowledge. But the more we share and discuss stories of decisions based on intuition, the more we learn about when and how to employ it.
- Trusting one's intuition doesn't necessarily mean one has to abandon well accepted processes.

QUESTION

Some people say: "Don't listen to your intuition. Intuition is nothing more than justification of luck." Do you agree?

GOT MILK?



In his 26 years with Procter & Gamble, **DAVE STICKEL** has been involved in capital projects as project manager, cost engineer, and start-up leader. Currently, he serves as the Global Process Owner for Capital Project Management Technology, part of the Corporate Engineering organization at P&G.

"My favorite story about Dave," says ASK feature writer W. Scott Cameron, also of Procter & Gamble, "is the time when he asked me to review a hierarchical presentation he was going to give." Cameron didn't think Stickel directly stated what he wanted from his audience. "My feedback," says Cameron, "was that he'd done an excellent job of describing a cow, but he should tell his audience it was a cow and not make them guess he had described a cow." Stickel took the feedback positively, and Cameron assumed that was the end of the story.

A few months later when he visited Stickel's office, Cameron saw a picture of a cow tacked on a bulletin board with the phrase "It's a cow" under the picture. "I guess Dave took my input to heart," says Cameron.

